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ABSTRACT

This document presents the comments of the president of the North Carolina Community College System regarding economic and workforce development issues facing the community colleges. He states that North Carolina is a leading manufacturing state today in an economy that is increasingly being refocused on information-based services. From an economic development perspective, the shift toward a knowledge economy places greater not less importance on workforce development and the role of the community colleges. He contends that even though the state's leaders recognized the central role of workforce development in promoting growth over fifty years ago, this does not mean the state has achieved its goals and can refocus its resources elsewhere. Instead, the author advocates the courage to change as appropriate and to continuously evaluate one's position. With new federal legislation and new economic circumstances, there are certain changes needed to adapt to this environment: salaries, lifelong learners, short-term training initiatives, program integration, and redesign of delivery systems through the Workforce Investment Act (WIA). Implications of the WIA for community colleges are presented through a list of key provisions: funding streams, three tiers of service, vouchers for training, eligibility of training providers, youth programs/councils, governance structure, one-stop delivery system, and statewide activities. Finally, a community college action agenda is presented, which includes keeping informed of any WIA guidelines, obtaining copies of draft regulations, and contacting governors and chief local elected officials. (VWC)

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Comments for President Lancaster Concerning Economic and Workforce Development Issues Facing Community Colleges, February 12, 1999

H. Martin Lancaster
North Carolina Community College System
From the Workforce and Economic Development Discussion

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Workforce and Economic Development Discussion
Victoria Room, Siena Hotel, Chapel Hill
February 12, 1999
Comments for President Lancaster Concerning Economic and Workforce Development Issues Facing Community Colleges

Major Issues

Almost a half century ago, leaders in our state were having discussions very similar to those we are having today about our economic future. Those discussions led to programs that emphasized industrial recruitment, sparked pioneering innovations such as the Research Triangle Park, and led to the creation of the community college system as a cornerstone of workforce and economic development in North Carolina. Obviously, the foresight of those leaders produced marvelous results that have greatly improved our economic circumstances and made North Carolina a national benchmark for economic and workforce development.

But while our circumstances have markedly improved, the economic changes that sparked such discussion 50 years ago greatly parallel the changes we face today. Fifty years ago we were primarily an agricultural state that recognized that our best employment opportunities were to be in manufacturing. Today we are a leading manufacturing state in an economy that is increasingly being refocused toward information-based services.

Community College Role

From an economic development perspective, the shift toward a knowledge economy places greater not less importance on workforce development and the role of the community colleges. We will continue to benefit from our central locations and our wonderful natural resources, but in an economy driven by knowledge, companies will look to grow in those areas that have a workforce with the best available skills. Therefore, a state's workforce development system becomes not just an important part of an economic development strategy, it becomes the central component.

The fact that our leaders recognized the central role of workforce development in promoting economic growth so many years ago means that we have a tremendous head start. It also means, however, that we face a greater risk of complacency. While I am buoyed by the fact that we were ranked by one economic development publication as having the best worker training program in the nation, I fear that this will cause some to believe that we have achieved that goal and we can refocus our resources elsewhere.

Certainly, our neighboring states are not taking a complacent approach. Take as an example, the new Tennessee Job Skills Program that was just started this year in our neighboring state. If one looked closely at our own workforce development system, I wonder if they would see any significant changes over the last 15, 20, or even 30 years. If anything, they would see an emphasis on curriculum and college transfer programs. Class-size occupational specific training programs are almost non-existent. Certainly the economy has changed greatly during that time period, witness the emergence of computers and now the Internet. I believe it was Peter Drucker, the management theorist, who said that systems that do not change internally as rapidly as their environment changes externally face eventual obsolescence, and that systems that don't change to meet the needs will create the opportunity for new systems to emerge and take their place. I

am not one who advocates change for change itself, but certainly we need to continuously evaluate our position and have the courage to change as appropriate.

Opportunities for Change

As we are presented with both new federal legislation, which I know we will talk about today, and new economic circumstances, we face a fork in the road. We may decide that we should explore the "road less traveled" and rethink our current workforce development system. We may be driven by inertia to keep doing what we have been doing which so far seems to have worked pretty well. It is impossible to foresee what will be the outcomes of our decisions or lack of decisions, but it is safe to say that the implications could be as dramatic for our children as the decisions made 50 years ago have been for us. Given the impending changing landscape, we do realize that there are certain changes needed for us to adapt to this environment:

- **Salaries:** First, and foremost, we will not be the national leader in workforce development if we continue to rank next to last nationally in instructor salaries and train our students for 21st century jobs on World War II-era equipment. We must rectify this situation. We must make all efforts to have adequate funding for technology and salaries

- **Lifelong learners:** Secondly, we must be more flexible to adapt to the needs of lifelong learners. More and more often students are coming to the colleges to upgrade their current skills. A redesign of training programs will also offer opportunity to upgrade the skills of the working poor. This entails significantly greater opportunities for open entry/open exit training programs and greater reliance on distance learning technologies.

- **Short-term training initiatives:** Thirdly, we believe that the trends in higher education and the shift to a federal voucher system both suggest the need for short-term concentrated programs and skill certifications that lie somewhere between a single training course and a curriculum degree. The recent survey of the RTP region clearly reflected national studies that indicate that employers and workers demand programs that are not time consuming, but produce a skill certification credential that is respected by employers. Developing and providing these programs will necessitate a significant enhancement of our current occupational extension program, and prioritizing and planning of programs that are reflective of future economic and employment growth. Colleges will be faced with developing and designing these new short-term programs without additional resources to do so.

- **Program Integration:** Fourth, as both federal and state legislators complain about the myriad of workforce programs that exist, it is incumbent on us to attempt to break down our own silos to provide more effective services to North Carolina's citizens. As an example, it seems natural that we examine greater linkages between dislocated worker programs that train North Carolinians for new jobs when companies announce they are closing or cutting back, and customized training programs that train North Carolinians for new jobs when companies announce they are growing or opening new locations. Similarly, Human Resources Development, Basic Skills and occupational extension programs need to be linked together.

- **Redesign of Delivery Systems Through Workforce Investment Act:** Finally, the WIA carves out some new challenges for the System. Some of these have already been discussed, such as vouchers and the need for more flexibility in program design. WIA has the opportunity for us as a state to make significant changes in the delivery of services. However, it has the potential to remain the same. We should use this requirement of the new law to make these necessary changes:
    - major focus on occupational extension
    - infrastructure to provide services that we are not currently providing
    - greater linkages with New and Expanding Industry, HRD, Voc Ed and Basic Skills training
    - restructured workforce system to fit economic development areas and college service areas
    - integration of programs and services -- HRD, Basic Skills, Voc Ed and occupational extension.

(See attached list of key WIA provisions relevant to community colleges.)

Conclusion

To MDC, we are happy that you invited us here today to discuss these important issues with our close friends and allies from the Department of Commerce. Your organization has played a pivotal role in helping us make the workforce and economic accomplishments which we are touted for today. As I have indicated there are many issues and daunting challenges which we know must be addressed. I have listed only a few. Our leadership team here today does not come with all the answers, but a sincere openness to frank discussion and a willingness to role up our sleeves to address these challenges. Forty years ago, the paradigm shifted from agriculture economy to industrial economy - now a similar shift to a new economy focusing on information and communication - this shift is very similar to the one that took place over 40 years ago.

THE WORKFORCE INVESTMENT ACT: IMPLICATIONS FOR COMMUNITY COLLEGES KEY PROVISION: FUNDING STREAMS

The broadened adult eligibility should be attractive to community colleges. Colleges should track how localities plan to use these adult grants, seek to participate in shaping these decisions and prepare to offer a variety of services.

KEY PROVISION: THREE TIERS OF SERVICE

It can be fairly argued that, under WIA, in contrast to JTPA, training has become the service of last resort. The clear intent of the legislation is to place adults in employment as rapidly as possible, with the least intensive form of intervention needed for placement. Community

colleges' primary interest will be in training: therefore it is critical that colleges become familiar with the new requirements for training and to be able to "compete." Community colleges can make the case that, for many or most participants, placement in good jobs leading to self-sufficiency will require basic education and occupational training. Colleges can advance this position, at the policy level, by becoming active members of the local Workforce Development Boards.

KEY PROVISION: VOUCHERS FOR TRAINING

The use of vouchers presents new opportunities and challenges to colleges. This will require that the colleges work closely with their local one-stop delivery systems to ensure that the colleges' services are fully and accurately presented to vouchers-holders and that colleges have the opportunity to discuss their services with these participants, either on-site at the one-stop centers or on campus. Also, colleges can use the opportunity to expand the current offerings by increasing short-term certificate granting training programs.

KEY PROVISION: ELIGIBILITY OF TRAINING PROVIDERS

Colleges will need to develop the capacity to collect this newly-required annual performance information in order to maintain their eligibility to provide training under WIA. Colleges will also need to maintain close liaison with the one-stop system to ensure that the consumer information presented to participants accurately reflects the performance information submitted by the colleges.

KEY PROVISION: YOUTH PROGRAMS/COUNCILS

Colleges interested in participating in local youth programs should seek to become members of the local youth councils. Community Colleges are well positioned to provide services that must be available through local youth programs, such as in-depth assessment of skills and service needs and occupational skills training, particularly for out-of-school youth.

KEY PROVISION: GOVERNANCE STRUCTURE

- *State Workforce Investment Boards:* Community colleges are guaranteed at least one seat on the state board and, through their representative(s) on the board, should be prepared to play an active role in contributing to the development of the strategic plan as well as in supporting and advising the community college/board member with respect to their ongoing oversight and other responsibilities under the Act.
- *Local Workforce Investment Boards:* Workforce investment boards are assigned the key policymaking role in the implementation of local workforce investment systems. Colleges should make early contact with their chief local elected officials to ensure their representation on local workforce investment boards.

KEY PROVISION: ONE-STOP DELIVERY SYSTEM

Community colleges are specifically authorized under the legislation to serve as one-stop operators. This offers the colleges the opportunity to play a pivotal role in the operation of the local workforce investment system; one-stop centers will be the locus of decision-making with respect to individual service referrals. WIA allows the Governor, LEO, and local board to retain one-stop operators who were designated as operators of one-stop centers under JTPA.

KEY PROVISION: STATEWIDE ACTIVITIES

Community colleges can most effectively influence the use of these statewide funds through membership on the state workforce investment board. Colleges that had received funds under JTPA 8% education/coordination will need to seek funding for these activities from the 15 percent reserved for state workforce investment activities or from other funding sources. NCCCS's role should be to continue to seek these resources for state-level coordination of the One-Stop initiative in which the colleges are engaged.

A COMMUNITY COLLEGE ACTION AGENDA

The legislation clearly envisions that community colleges will play a major role in implementing the new workforce investment system. Colleges, either individually or collaboratively, should consider the development of action plans to ensure that they will serve as full and effective partners in the new system. Of the specific follow-up items discussed in this paper, the following should be given priority for inclusion in local action agendas:

- Keep informed, through AACC or NCCCS System Office, of any WIA guidelines or technical assistance materials disseminated by DOL.

- Obtain copies of draft regulations, when issued, and comment on provisions of particular concern to community colleges.

- Contact governors and chief local elected officials to ensure that one or more community colleges are represented on the state and local workforce investment boards. Where boards are already in existence, ensure that community colleges are added if they are not already represented.

- Participate actively in the development of the state strategic plan and local plans to ensure that the roles of community colleges are adequately reflected.

- Advance the position in state and local board deliberations that the guidelines for the local one-stop delivery system recognize that literacy and occupational skills training may be necessary to achieve stable and well-paying jobs.

- Build the college's capacity to deliver "core" and "intensive" services to participants.

- Consider competing for designation as one-stop system operator in your locality or form a consortium for this purpose with other providers.

- Develop a close working relationship with the local one-stop delivery system: negotiate a memorandum of understanding with the local board concerning the college's relationship with the one-stops; ensure that information concerning community college services are fully and accurately made available to holders of ITA training vouchers.

- Begin an active dialogue with the Governor and local boards concerning training providers' performance criteria to ensure that they are reasonable and fair.

- Establish procedures to collect the performance data required by the law. Work with the Governor to obtain assistance in establishing cost-effective methods of data collection, such as the use and enhancement of unemployment insurance wage records to track post-training employment and wages.

- Ensure that, where a state unified plan provides for the joint planning and coordination of the adult education and literacy program with employment and training under WIA and with other Federal programs, the interest and concerns of community colleges in adult education and literacy programs are fully reflected in the unified plan.